

A G E N D A



Recommendation for Council Action

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| Austin City Council | Item ID | 15877 | Agenda Number | 13. |
| Meeting Date: | 6/28/2012 | | Department: | Austin Water Utility |
| Subject | | | | |
| <p>Authorize the negotiation and execution of a developer agreement with First Continental Investment Company, Ltd. to reimburse costs associated with the design and construction of an oversized 15-inch gravity wastewater line, an 18-inch gravity wastewater line, and appurtenances related to Service Extension Request No. 3007 to provide wastewater service to the Bellingham Meadows Subdivision development located at 7413 Boyce Lane for a total cost reimbursement not to exceed \$2,130,813.</p> | | | | |
| Amount and Source of Funding | | | | |
| Funding is available in the Fiscal Year 2011-2012 Capital Budget of the Austin Water Utility. | | | | |
| Fiscal Note | | | | |
| A fiscal note is attached. | | | | |
| Purchasing Language: | | | | |
| Prior Council Action: | | | | |
| For More Information: | Brian L. Long, P.E., 972-0177; Denise Avery, 972-0104 | | | |
| Boards and Commission Action: | Recommended by the Water and Wastewater Commission | | | |
| MBE / WBE: | | | | |
| Related Items: | | | | |

Additional Backup Information

The Bellingham Meadows Subdivision development, consisting of approximately 183 acres of land generally located west of SH-130, south of E. Parmer Lane, and east of the Harris Branch Subdivision (the "Property") within the City of Austin's 2-mile extra-territorial jurisdiction, is proposed to include the facilities necessary for a 626-lot single-family subdivision. First Continental Investment Company, Ltd. (the "Owner") requested that the Austin Water Utility ("AWU") provide wastewater utility service to the Property as proposed in Service Extension Request No. 3007. The Property is within the City's Impact Fee Boundary, Utility Service Area, Water Certificate of Convenience and Necessity area, the Desired Development Zone, and the Gilleland Creek Watershed.

The 15-inch and 18-inch gravity wastewater lines described in SER-3007 are proposed to relieve the City's existing William Wallace Way Lift Station and to meet the City's long range planning goals for this area. This lift station relief line project is currently funded via the Capital Improvement Program (CIP) and the Owner is working with the City to expedite the project schedule. As part of the cooperative arrangement to expedite this project, the Owner has

agreed to complete the engineering and design, and the City has agreed to fund and construct the 15-inch and 18-inch gravity wastewater lines. The proposed agreement will also allow the Owner to complete the project should the City choose not to complete the wastewater line construction via the CIP.

Under the proposed agreement, the City will reimburse the Owner in accordance with the applicable provisions of Chapter 25-9 of the City Code for costs the Owner may incur to design and construct the oversized wastewater improvements. The proposed improvements include:

- Construction of approximately 5,550 feet of 18-inch gravity wastewater line from the existing 18-inch gravity wastewater line east of SH 130 at E. Parmer Lane, northwest along E. Parmer Lane, and then southwest across E. Parmer Lane to the subject tract.
- Construction of approximately 3,600 feet of 15-inch gravity wastewater line from the proposed 18-inch gravity wastewater line in E. Parmer Lane southwest across the Property to the existing William Wallace Way Lift Station located near the southern boundary of the Property. These improvements are oversized and will provide wastewater service to existing and potential customers within the wastewater drainage basin.

The City may reimburse the Owner for an overall total amount not to exceed \$2,130,813. The breakdown of cost participation by project component is:

- If the Owner completes the engineering, design, and project management of the construction of the gravity wastewater lines, the City will reimburse the Owner's soft costs up to the lesser of 15% of the 18-inch gravity wastewater line hard costs or \$246,028.
- If constructed by the Owner, the City's maximum participation is \$1,886,216 for the costs of the 18-inch gravity wastewater line and appurtenances, consisting of up to \$1,640,188 of: (1) Owner's hard costs, and (2) Owner's soft costs, a maximum equal to the lesser of 15% of Owner's hard costs or \$246,028.
- If constructed by the Owner, the City's maximum participation is \$244,597 for costs of the 15-inch gravity wastewater line (oversized pipe diameter from a 12-inch to 15-inch) and appurtenances, consisting of: (1) Owner's hard costs, a maximum equal to the lesser of 34.25% of the hard costs of the 15-inch gravity wastewater line and appurtenances or \$212,693, and (2) Owner's soft costs, a maximum equal to the lesser of 15% of the City's hard cost participation or \$31,904.

Other terms of the agreement with the Owner will provide that the Owner will:

- Bear all costs for financing, interest, fiscal security, accounting, insurance, inspections, permitting, easement acquisition and legal services associated with the project;
- Conform to the City's design criteria and construction standards;
- Construct all improvements at their cost and, after approval of construction, dedicate the facilities to the City for ownership, operation, and maintenance;
- Meet applicable M/WBE goals and policies established by City Council Resolution 20120112-058;
- Allow AWU to use the project plans and specifications approved by AWU's Director to solicit and publish invitations for bids for the construction of the improvements; and
- Follow standard City bidding practices and procedures, including the minority-owned business enterprise procurement program found in Title 2 of the City Code, and Chapters 212 and 252 of the Texas Local Government Code.